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SSM-03 SIG-01 SS-15 PM-05 SP-02 INR-10 NSAE-00
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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY F. Schmelzer DATE 7/2/85
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APPROVED BY NEA/P:GFSHERMAN
S/PRS - MR. CARTER
M - MR. KRAEMER
S/SM - MR. MC ANDREW
NEA - MR. NEUMANN
NEA/I - MR. SMITH
NEA/ARP - MR. DRAPER
NEA/EGY - MR. NELBERRY
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CINCEUR FOR POLAD; TEL AVIV FOR PAO, DELIVER BY 9 A.M.

E.O. 11652: N/A

TAGS: PFOR

SUBJECT: BACKGROUND BRIEFING ON MIDEAST ARMS SALES

1. FOLLOWING IS TRANSCRIPT OF BACKGROUND BRIEFING GIVEN MEMBERS OF PRESS IN THE DEPARTMENT FEBRUARY 14 FOLLOWING THE SECRETARY'S ANNOUNCEMENT OF THE PRESIDENT'S DECISION TO GO FORWARD ON SALES OF CERTAIN AIRCRAFT TO ISRAEL, EGYPT AND SAUDI ARABIA. NOTE TRANSCRIPT IS UNOFFICIAL.

FYI ONLY: THE SENIOR STATE DEPARTMENT OFFICIAL IS SECRETARY VANCE AND THE SENIOR DEFENSE DEPARTMENT OFFICIAL IS SECRETARY BROWN.

2. BEGIN TEXT: SENIOR STATE DEPT. OFFICIAL: LET ME JUST SAY A COUPLE OF WORDS OF INTRODUCTION, AND THEN WE WILL BE HAPPY TO TAKE YOUR QUESTIONS.

I THINK, AS ALL OF YOU KNOW, WE HAVE BEEN CONSIDERING THESE REQUESTS FROM EACH OF THE THREE COUNTRIES FOR A CONSIDERABLE PERIOD OF TIME, AND WE DECIDED THAT ONCE WE CAME TO A CONCLUSION ON THESE REQUESTS, THE BEST THING TO DO WOULD BE TO COME OUT AND TELL YOU OUR DECISION RIGHT AWAY, OTHERWISE IT WOULD JUST LEAK OUT OVER A PERIOD OF TIME.

INSOFAR AS THE CONGRESS IS CONCERNED, WE WILL BE NOTIFYING THE CONGRESS INFORMALLY WHEN THEY COME BACK NEXT WEEK ON FEBRUARY 21ST. THAT IS THE TWENTY-DAY NOTICE, AND THAT WILL OBVIOUSLY RUN OUT ON THE 13TH OF MARCH.

BECAUSE THEY WILL ALSO BE GOING OFF FOR THE EASTER RECESS, WE WILL NOT SEND UP THE FORMAL NOTIFICATION, UNTIL AFTER THEY GET BACK FROM THE CONGRESSIONAL RECESS.

THEREFORE, THEY WILL HAVE HAD FULL AND ADEQUATE TIME, BOTH IN TERMS OF THE INFORMAL NOTIFICATION AND IN TERMS OF THE FORMAL NOTIFICATION TO CONSIDER THIS IMPORTANT REQUEST THAT WE ARE SENDING UP.

WE THOUGHT IT WOULD BE HELPFUL FOR YOU IF WE WERE BOTH HERE TO ANSWER THE QUESTIONS WHICH YOU HAVE ON THIS IMPORTANT DECISION WHICH HAS BEEN MADE. I JUST WANT TO EMPHASIZE THREE THINGS; THAT THE DECISION, WE BELIEVE, MEETS THE RESPECTIVE SECURITY REQUIREMENTS OF THE THREE COUNTRIES INVOLVED. IT WILL NOT ALTER THE BASIC MILITARY BALANCE WHICH EXISTS IN THE REGION, AND IT WILL BE CONSISTENT WITH OUR OVERRIDING OBJECTIVES, AS I INDICATED IN THE STATEMENT WHICH I ISSUED, WHICH IS TO ACHIEVE A COMPREHENSIVE PEACE.

OKAY, LET'S HAVE YOUR QUESTIONS.

Q. LAST YEAR, EGYPT ALSO REQUESTED F-5-E'S, BUT THEN IT WAS NOT EITHER WISE OR POSSIBLE -- I'M NOT SURE WHICH -- TO HONOR THAT REQUEST. WHAT HAS CHANGED BETWEEN LAST APRIL AND NOW?

SENIOR STATE DEPT. OFFICIAL: WE HAVE A NUMBER OF THINGS THAT HAVE HAPPENED SINCE THEN. THERE HAS BEEN THE TRIP TO JERUSALEM. THERE HAS BEEN THE BEGINNING OF PEACE NEGOTIATIONS BETWEEN THE PARTIES. AND AS A RESULT OF THAT, THE SITUATION IS CHANGED. WE BELIEVE THAT THE STEPS THAT ARE BEING TAKEN NOW WILL BE CONSISTENT WITH AND, INDEED, SUPPORTIVE OF THE PEACE PROCESS, AS WELL AS MEETING THE MILITARY BALANCE REQUIREMENTS WHICH HAS ALWAYS BEEN ONE OF THE CONSIDERATIONS, AND ALSO AS WELL AS MEETING THE SECURITY REQUIREMENTS OF THE COUNTRIES INVOLVED.

Q. WHEN YOU SAY THINGS HAVE CHANGED, DO YOU MEAN TO SAY THAT THINGS HAVE CHANGED IN THE ABSOLUTE OR THINGS HAVE CHANGED IN THE PERCEPTIONS OF CONGRESS?

SENIOR STATE DEPT. OFFICIAL: NO. I THINK IN THE ABSOLUTE.

Q. AND YOU EXPECT NO DIFFICULTIES WITH CONGRESS ON THIS?

SENIOR STATE DEPT. OFFICIAL: NO. I THINK WE WILL PROBABLY HAVE A REAL DEBATE IN THE CONGRESS, AND I DON'T DELUDE MYSELF ON THAT. I THINK THERE IS A GENERAL UNDERSTANDING IN THE CONGRESS, QUITE CLEARLY, OF THE IMPORTANCE OF WHAT WE ARE DOING HERE, BUT THERE CERTAINLY ARE NOT UNANIMOUS VIEWS ON THIS, AND WE WILL HAVE TO ARGUE THIS THROUGH THE CONGRESS. I AM HOPEFUL THAT THEY WILL SEE THE WISDOM OF WHAT WE ARE PROPOSING.

Q. CAN YOU GIVE US SOME NOTION OF THE FINANCIAL DIMENSIONS OF THIS? WHAT THE TOTAL COST IS.

SENIOR STATE DEPT. OFFICIAL: THE TOTAL VALUE OF IT IS $4.8 BILLION, AND THE AMOUNT OF THE F-16 BUY, AS I RECALL IT, IS $1.5 BILLION. AND THE AMOUNT OF THE F-15 BUY IS $400 MILLION. THE AMOUNT OF THE SAUDI BUY OF F-15'S IS $2.5 BILLION, AND THE AMOUNT OF THE F-5 BUY IS $400 MILLION. AND I THINK THAT TAKES YOU UP TO A TOTAL OF $4.8.

Q. CAN WE GO OVER THOSE FIGURES AGAIN?

SENIOR STATE DEPT. OFFICIAL: SURE. FIRST, ON F-15'S, I BELIEVE IT IS $1.5 BILLION. AND $400 MILLION --

Q. ON THE F-5-E'S?

SENIOR STATE DEPT. OFFICIAL: AND THE F-15'S FOR ISRAEL. THE F-15'S FOR SAUDI ARABIA, $2.5 BILLION. AND THE F-5'S IS $400 MILLION.

Q. WHAT IS THIS $2.5 BILLION FOR? THAT IS AN AWFUL LOT OF MONEY FOR 60 AIRPLANES.

SENIOR DEFENSE DEPT. OFFICIAL: WHEN YOU START OFF WITH A NEW AIRCRAFT INTRODUCED INTO AN INVENTORY, THERE ARE SUBSTANTIAL START-OFF COSTS, WHICH IS WHY THE F-15 COST PER AIRCRAFT IS HIGHER FOR SAUDI ARABIA THAN IT IS FOR ISRAEL, WHICH ALREADY HAS A SUBSTANTIAL PAST SALE OF 25 OF F-15'S.

Q. COULD YOU EXPLAIN, ARE THESE NUMBERS ABSOLUTELY COMPARABLE OVER THE SAME PERIODS OF TIME?

SENIOR STATE DEPT. OFFICIAL: NO. THE PERIODS OF TIME ARE NOT COMPARABLE, AND THE REASON FOR THAT IS THAT THE DELIVERIES ARE MADE IN ACCORDANCE WITH THE PRODUCTION SCHEDULES. INSOFAR AS THE 15'S AND 16'S ARE CONCERNED, THEY ARE GOING INTO THE U.S. FORCES. AND, OF COURSE, THE U.S. FORCES TAKE PRIORITY OVER WHAT WE ARE PROVIDING TO ANYBODY ELSE. THEREFORE, THEY DO NOT START UNTIL THE THIRD QUARTER OF 1980.

INSOFAR AS THE F-5'S, WHICH ARE NOT PART OF OUR REGULAR FORCES, THEY CAN START EARLIER, AND MY RECOLLECTION IS THAT THEY WILL START IN THE THIRD QUARTER OF 1979.

SENIOR DEFENSE DEPT. OFFICIAL: NO, THE THIRD QUARTER OF 1978.

SENIOR STATE DEPT. OFFICIAL: '78 EXCUSE ME.

SENIOR DEFENSE DEPT. OFFICIAL: THE F-5'S, WE HAVE ACTUALLY TEN ON HAND, AND THOSE CAN BE DELIVERED THE THIRD QUARTER OF THIS YEAR. THE F-15'S, THIRD QUARTER OF '81, FOR THIS NEW SALE TO THE ISRAELIS. AND FOR THIS FIRST SALE TO THE SAUDIS.

Q. SAME TIME-FRAME?

SENIOR DEFENSE DEPT. OFFICIAL: SAME TIME FOR BOTH, ALTHOUGH THE ISRAELIS, AS I MENTIONED BEFORE, HAVE ALREADY BEEN GETTING SOME, AND ARE GETTING SEVERAL A MONTH DURING THIS YEAR.

Q. THIRD QUARTER, 1981, YOU SAID.

SENIOR DEFENSE DEPT. OFFICIAL: THAT IS RIGHT. AND THE F-16'S, FOURTH QUARTER OF '81.

Q. CAN YOU EXPLAIN HOW THE $4.8 RELATES TO THE $8.6 CEILING? DOES IT ALL COUNT AGAINST IT IN THIS CALENDAR YEAR?

SENIOR DEFENSE DEPT. OFFICIAL: NO. IT COUNTS AS THE LETTERS OF OFFER ARE SIGNED.

Q. CAN YOU GIVE US SOME IDEA HOW THAT IS GOING TO BE BROKEN UP, HOW MUCH A YEAR?

SENIOR DEFENSE DEPT. OFFICIAL: I THINK PERHAPS THREE YEARS -- HALF OF IT, ROUGHLY, THE FIRST YEAR.

Q. SO, ROUGHLY ABOUT A HALF.

SENIOR DEFENSE DEPT. OFFICIAL: MAYBE A LITTLE MORE THAN $2 BILLION.

Q. ABOUT TWO AND A HALF. ON THE F-15'S FOR SAUDI ARABIA IS THAT ALSO THIRD QUARTER OF '81?

SENIOR DEFENSE DEPT. OFFICIAL: THAT'S RIGHT.

Q. SO THEY WOULD NOT BE RECEIVING ANY BEFORE THAT? IS THAT CORRECT?
SENIOR DEFENSE DEPT. OFFICIAL: THAT IS CORRECT.

Q. CAN YOU CLEAR UP ONE OTHER THING. IS IT ACCURATE THAT THE ISRAELI REQUEST WAS FOR 150 F-16'S, AND THAT THEY DID EXERCISE THEIR OPTION FOR 25 ADDITIONAL F-15'S?

SENIOR DEFENSE DEPT. OFFICIAL: VARIOUS NUMBERS HAVE BEEN ASKED BY THE ISRAELIS AT VARIOUS TIMES, AND I AM NOT SURE WHAT FORMAL REQUEST THERE IS. I BELIEVE THERE WERE REQUESTS FOR MORE THAN THIS NUMBER.

Q. BUT IS IT THE CRITERIA THAT THEY DON'T NEED ANY MORE NOW IN ORDER TO ADEQUATELY REPLACE THE -- ?

SENIOR DEFENSE DEPT. OFFICIAL: THAT'S RIGHT. IN FACT, YOU HAVE GOT A RANGE OF JUDGMENT OVER HOW RAPIDLY THEY HAVE TO REPLACE EXISTING AIRCRAFT, AND THIS FITS WELL WITHIN THAT RANGE. IT IS OUR JUDGMENT AS TO HOW RAPIDLY THEY NEED TO REPLACE THEM.

Q. YOUR STATEMENT WHICH WAS HANDED OUT A LITTLE WHILE AGO SAYS THAT THESE SALES WOULD BE SEEN IN THE CONTEXT OF THE NEGOTIATING PROCESS AND OUR OBJECTIVE OF A PEACE SETTLEMENT, AND YOU REFERRED TO THAT A MOMENT AGO, AS WELL

CAN YOU EXPLAIN WHY IT IS A GOOD IDEA IN THE MIDDLE OF THIS CRITICAL STAGE OF THE PEACE PROCESS TO BE SELLING LARGE AMOUNTS OF ARMAMENTS TO THE PEOPLE WHO ARE NEGOTIATING WITH EACH OTHER TO TRY TO FIND A PEACE. I THINK A LOT OF PEOPLE WONDER ABOUT THE TIMING OF IT?

SENIOR STATE DEPT. OFFICIAL: I THINK -- LET ME TAKE IT

COUNTRY-BY-COUNTRY. AS FAR AS ISRAEL IS CONCERNED, AS I INDICATED IN THE STATEMENT WHICH I ISSUED, THEY HAVE GOT HAVE FULL CONFIDENCE IN THEIR ABILITY TO ASSURE FOR THEIR

OWN DEFENSE. AND IN PARTICULAR THEY HAVE GOT TO BE IN A POSITION TO PLAN FOR THE CONTINUED MODERNIZATION OF ITS AIR FORCE.

AS A RESULT OF THAT, I THINK IT IS IMPORTANT THAT THEY HAVE THEIR REQUESTS MET AT THIS PARTICULAR PERIOD IN TIME, BECAUSE I THINK IT WILL GIVE THEM THE ADDITIONAL CONFIDENCE THAT IS REQUIRED TO CONTINUE WITH THE NEGOTIATIONS.

INSOFAR AS EGYPT IS CONCERNED, I THINK IT ALSO HAS TO HAVE A REASONABLE ASSURANCE OF ITS ABILITY TO DEFEND ITSELF AS IT CONTINUES WITH THE PEACE NEGOTIATIONS.

Q. AGAINST WHOM?

SENIOR STATE DEPT. OFFICIAL: WHAT?

Q. AGAINST WHOM? YOU SAID THAT IN THE STATEMENT, AS WEL

SENIOR STATE DEPT. OFFICIAL: WELL, THEY HAVE THE LIBYANS ON THEIR BORDER, WHICH HAS BEEN A SOURCE OF CONTINUING CONCERN TO THEM. THEY HAVE HAD A CONFLICT IN THE VERY RECENT PAST, AS YOU ALL KNOW, AND THIS IS A SUBJECT OF CONTINUING CONCERN TO THEM.

Q. MAY I ASK THE SENIOR DEFENSE DEPARTMENT OFFICIAL IF HE SHARES THE VIEW THAT EGYPT NEEDS THESE F-5-E'S TO DEFEND THEMSELVES AGAINST LIBYA?

SENIOR DEFENSE DEPT. OFFICIAL: INDEED, THE LIBYANS HAVE MIG-21'S AND MIG-23'S.
Q. BUT GENERAL BROWN SAID THEY ARE COMPARABLE.

SENIOR DEFENSE DEPT. OFFICIAL: TO WHAT?

Q. PLEASE GO AHEAD. I'M SORRY I INTERRUPTED YOU.

SENIOR DEFENSE DEPT. OFFICIAL: INDEED, THE F-5 IS COMPARABLE TO THE MIG-21, FOR WHICH, AS YOU KNOW, THE EGYPTIANS HAVE NOT BEEN ABLE, WITH ONE SMALL SHIPMENT AS AN EXCEPTION, TO GET SPARE PARTS FROM THE SOVIETS FOR SOME TIME.

I WOULD NOT SAY THAT THIS GREATLY AUGMENTS THE EGYPTIAN CAPABILITY. IT IS A SIGNIFICANT AUGMENTATION. IT IS NOT AN IMPROVEMENT IN QUALITATIVE CAPABILITY.

Q. IS THIS LIBYAN SITUATION THEN THE PRINCIPAL OR THE ONLY THING THAT HAS CHANGED SINCE PRESIDENT CARTER SAID, IN APRIL '76, THAT HE DIDN'T FAVOR ARMING EGYPT. IT POSTPONES PEACE NEGOTIATIONS. HE IS CONCERNED -- HE WAS A CANDIDATE THEN -- HE WAS CONCERNED IN THE WAY IN WHICH OUR COUNTRY AS WELL AS THE SOVIET UNION, GREAT BRITAIN AND FRANCE, HAVE POURED ARMS INTO CERTAIN ARAB COUNTRIES FAR BEYOND THEIR LEGITIMATE NEEDS FOR DEFENSE. HE SAID THE ARABS GET FIVE OR SIX TIMES WHAT ISRAEL GETS.

I GUESS THE CHANGE IN THE EQUATION IS LIBYA, IS THAT WHAT YOU ARE TELLING US?

SENIOR STATE DEPT. OFFICIAL: LET ME SAY THERE ARE SEVERAL CHANGES. THERE IS THE LIBYAN CHANGE. THERE IS ALSO THE FACT THAT INSOFAR AS THE SOVIET EQUIPMENT IS CONCERNED, THEY ARE GETTING REALLY NOTHING FROM THE SOVIETS AT THIS POINT. AND, THIRDLY, THE PEACE NEGOTIATIONS HAVE BEGUN.

Q. WHAT ABOUT ETHIOPIA?

SENIOR STATE DEPT. OFFICIAL: I THINK I DIDN'T ANSWER YOUR QUESTION. I STILL HAVE ONE THING TO ANSWER WITH RESPECT TO SAUDI ARABIA.

ON SAUDI ARABIA, THEY HAVE BEEN A FORCE FOR MODERATION AND GENERALLY SUPPORTIVE OF THE PEACE PROCESS THAT IS GOING FORWARD.

IN ADDITION, THEY HAVE PLAYED A VERY IMPORTANT PART IN A NUMBER OF WAYS IN THE AREA, BOTH BECAUSE OF WHAT THEY HAVE DONE IN TERMS OF THE ENERGY SITUATION AND THE LEADING ROLE WHICH THEY HAVE TAKEN IN KEEPING DOWN THE PRICE OF OIL, AS WELL AS FINANCIAL LEADERSHIP WHICH THEY HAVE GIVEN IN THE ECONOMIC COMMUNITY, AS WELL.

WE THINK THAT THE REQUIREMENTS WHICH THEY HAVE STATED ARE LEGITIMATE REQUIREMENTS. AND THEREFORE WE THINK THAT IN LIGHT OF ALL OF THESE CIRCUMSTANCES, IT IS APPROPRIATE TO MAKE THE SALE, AND, FOURTHLY, THEY ARE NOT A CONFRONTATION STATE.

Q. A FOLLOW-UP, AS WELL. ON THE SAUDI THING, A NUMBER OF PEOPLE UP ON THE HILL SAY THAT THE SAUDI ARABIANS DO NOT HAVE THE TECHNOLOGICAL CAPACITY TO HANDLE A SOPHISTICATED PLANE LIKE THE 15, AND THAT A LESS SOPHISTICATED PLANE, PERHAPS, COULD BE MORE APPROPRIATE TO THEIR DEFENSE NEEDS. WHY GO TO THE 15 AT THIS POINT?

SENIOR DEFENSE DEPT. OFFICIAL: THE SAUDIS DO HAVE TO REPLACE SOME OBSOLETE BRITISH LIGHTNINGS FOR AIR DEFENSE. THEY DO NEED AN AIR DEFENSE CAPABILITY. AND THERE IS A VARIETY OF AIRCRAFT THAT COULD BE USED FOR THIS INCLUDING THE F-16'S, INCLUDING THE F-15'S, AND SOME MADE IN OTHER COUNTRIES.

WE SENT A TEAM, DEFENSE SENT A TEAM, TO SAUDI ARABIA LAST YEAR AND EXAMINED BOTH THEIR NEEDS AND THEIR CAPABILITY. THE SAUDIS -- AND THEY WERE OFFERED -- THEY HAD BEEN OFFERED A YEAR BEFORE -- A CHOICE AMONG VARIOUS AIRCRAFT. THEY PICKED THE F-15 ON THE BASIS OF ITS ALL-WEATHER CAPABILITY AND DAY-NIGHT CAPABILITY, AND BECAUSE IT HAD TWO ENGINES. WE CONSIDER THOSE APPROPRIATE BASES FOR SELECTION. INDEED, THE F-15 IS A MORE CAPABLE AIRCRAFT AND A MORE SOPHISTICATED AIRCRAFT THAN, SAY, THE F-5. THE SAUDIS WILL TAKE SOME TIME TO BE ABLE TO OPERATE THEM, AND, AS YOU SEE, WE WON'T DELIVER ANY UNTIL THE THIRD QUARTER OF '81, AND THEY WILL BE UNDERGOING TRAINING BEFORE THEN.

Q. COULD YOU TELL US, SIR, HOW MANY F-15'S DOES ISRAEL HAVE NOW? IF I UNDERSTOOD YOU RIGHT, THE NEXT BATCH OF 15'S WILL NOT BEGIN TO BE DELIVERED UNTIL THE END OF '81?

SENIOR DEFENSE DEPT OFFICIAL: THAT'S RIGHT, THE SAME TIME AS THE SAUDI ORDER IS DELIVERED.

Q. WHAT DO THEY HAVE NOW?

SENIOR DEFENSE DEPT. OFFICIAL: THE ISRAELIS HAVE ABOUT HALF OF THEIR FIRST 25 NOW, AND THEY'LL GET TWO OR THREE A MONTH THROUGH THE REST OF THIS YEAR. IN OTHER WORDS, THEY WILL HAVE 25, IF I REMEMBER CORRECTLY, BY THE END OF THIS YEAR OR VERY SOON THEREAFTER.

MR. SCALI.

Q. SIR, AS YOU KNOW, PRIME MINISTER BEGIN SAID OVER THE WEEKEND THAT HE THOUGHT THE DELIVERY OF ANY PLANES TO EGYPT WOULD HAVE, IN HIS WORDS, "A NEGATIVE IMPACT ON THE PEACE PROCESS." IN VIEW OF THE FACT THAT WE HAVE ANNOUNCED THIS SALE, WHAT CAN YOU SAY SPECIFICALLY TO THAT POINT?

SENIOR STATE DEPT. OFFICIAL: WE HAVE TAKEN INTO ACCOUNT THE CONCERNS OF THE VARIOUS PARTIES WITH RESPECT TO THESE SALES, INCLUDING THE CONCERNS EXPRESSED BY THE PRIME MINISTER. WE DO NOT BELIEVE, AFTER A VERY CAREFUL CONSIDERATION, THAT THESE SALES WILL DETER OR CHANGE THE BASIC MILITARY BALANCE IN THE REGION. WE BELIEVE THAT, IN FACT, RATHER THAN TO DETRACT FROM THE PEACE PROCESS, THAT THEY WILL BE SUPPORTIVE OF THE PEACE PROCESS' AND TAKING ALL OF THESE CONSIDERATIONS INTO ACCOUNT, WE HAVE MADE THIS DECISION.

Q. ONE OF THE CONCERNS THAT THE AMERICAN PEOPLE WILL HAVE, OR ONE OF THE THINGS THEY WILL LOOK AT HERE AS HAS ALREADY BEEN WRITTEN, IS THAT THIS IS THE FIRST SALE OF OFFENSIVE MILITARY EQUIPMENT TO EGYPT. HAS THE UNITED STATES SOUGHT ANY COMMITMENT ON THE PART OF THE EGYPTIANS THAT THESE PLANES WILL NOT BE USED IN OFFENSE AGAINST THE STATE OF ISRAEL?

SENIOR STATE DEPT. OFFICIAL: WITH RESPECT TO THAT, PRESIDENT SADAT HAS SAID THAT INSOFAR AS HE IS CONCERNED THAT HE RENOUNCES FURTHER WAR WITH ISRAEL, AND HE HAS STATED THAT PUBLICLY. OTHER THAN THAT, AT THIS POINT, NO FURTHER DETAILS HAVE BEEN TALKED ABOUT.

Q. YOU HAVE LINKED THESE ARMS SALES TO THE PEACE NEGOTIATIONS, AND MY QUESTION IS WHETHER THIS IS IT FOR THIS YEAR, YOU ARE GOING TO FREEZE THE ARMS AT THIS LEVEL, OR A MONTH FROM NOW ARE YOU LIKELY TO ADDRESS OTHER ITEMS ON THE WISH LIST? WHERE DO WE STAND AS FAR AS SUPPLYING ADDITIONAL WEAPONS TO THE MIDEAST COUNTRIES, OR IS THIS IT FOR THIS YEAR?

SENIOR STATE DEPT. OFFICIAL: WE, IN MAKING THIS DECISION TOOK ACCOUNT OF WHAT WE FORESAW TO BE THE BASIC REQUIREMENTS OF THE COUNTRY FOR THIS YEAR, AND THEREFORE, APART FROM SOME UNFORESEEABLE EVENTS, I WOULD EXPECT THAT THESE WOULD BE THE AIRCRAFT SALES FOR THIS YEAR.

Q. BUT OTHER ITEMS, FOR INSTANCE MISSILES, TANKS --

SENIOR DEFENSE DEPT. OFFICIAL: FOR EXAMPLE, GUNS AND BULLETS AND SO ON.

Q. THIS IS NOT A FREEZE ON OTHER THINGS?

SENIOR STATE DEPT OFFICIAL: NO, IT'S NOT A FREEZE FROM THE OTHER THINGS.

Q. I THINK I REMEMBER, BUT IF I REMEMBER INCORRECTLY PLEASE CORRECT ME --

SENIOR STATE DEPT. OFFICIAL: YES.

Q. I THOUGHT UNTIL NOW THE STATE DEPARTMENT, THE ADMINISTRATION AND PREVIOUS ADMINISTRATION'S LINE, IF YOU'LL ACCEPT THE WORD "LINE" FOR WANT OF A BETTER ONE -- HAS BEEN THAT IT DOESN'T MIX OIL WITH DIPLOMACY: IT MAKES IT'S MIDDLE EAST MOVES IRRESPECTIVE OF OIL PRICES AND THREATS, LITTLE PAY-OFFS AND "THANK YOUS" TO THE SAUDIS, OR THREATS THAT THEY WOULD RAISE THE OIL PRICE -- AND THEY HAVE CONSTANTLY THREATENED TO RAISE IF THEY DON'T GET SOMETHING FOR IT. AM I WRONG OR DOES THIS MARK A CHANGE IN POLICY TO REWARD SAUDI ARABIA WITH F-15 PLANES FOR HAVING QUINTUPPLED OIL PRICES, NOT GOING ANY FURTHER AT THIS POINT?

SENIOR STATE DEPT. OFFICIAL: I INDICATED THERE WERE A NUMBER OF FACTORS THA. CAME INTO PLAY. I SAID FIRST THAT WE BELIEVE THAT THEY HAD BEEN VERY SUPPORTIVE IN PROMOTING THE CAUSE OF PEACE IN THE AREA.

Q. IT WAS THE OIL THAT WAS INTERESTING. YOU BROUGHT UP THE OIL.

SENIOR STATE DEPT OFFICIAL: YES, I ENTIONED THAT AS ONE OF THE FACTORS, AND IT IS A FACTOR BUT CERTAINLY NOT THE PRINCIPAL FACTOR, AS YOUR QUESTION IMPLIES.

Q. CAN WE FOLLOW THAT QUESTION THAT BARRY JUST ASKED? OBVIOUSLY, THE OIL THING IS GOING TO BE IN THE MINDS OF PEOPLE ON THE HILL, AS WELL AS YOUR OTHER POINT HERE. IS IT YOUR ASSUMPTION THAT THAT WILL BE ENOUGH TO CONVINCE CONGRESS TO APPROVE THIS SALE TO THE SAUDIS, OR IS THIS GOING TO BE MORE DIFFICULT THAN THE EGYPTIAN SALE OR IS THE EGYPTIAN SALE GOING TO BE MORE DIFFICULT?

SENIOR STATE DEPARTMENT OFFICIAL: LET ME ANSWER FIRST BY SAYING THIS: WE BELIEVE THAT THEY HAVE A LEGITIMATE DEFENSE REQUIREMENT FOR THESE SIXTY PLANES, AND THAT IS WHERE YOU START ON THIS, DO THEY HAVE A LEGITIMATE REQUIREMENT? WE BELIEVE THAT THEY DO HAVE A LEGITIMATE REQUIREMENT. THERE ARE OTHER FACTORS THAT ONE HAS TO TAKE A LOOK AT IN DETERMINING THE OVERALL SET OF FACTORS THAT SHOULD BE BROUGHT INTO CONSIDERATION IN MAKING THE DECISION.

NOW, TO COME BACK TO YOUR SECOND QUESTION, IS IT GOING TO BE TOUGHER THAN THE OTHER PARTS OF THE PACKAGE? I DON'T KNOW. THERE HAS BEEN A GOOD DEAL SAID ABOUT THE F-15'S, MORE SAID ABOUT THAT BEFORE, BUT THERE WAS NO ANNOUNCEMEN

WITH RESPECT TO F-5'S PREVIOUSLY AND NO DISCUSSION OF IT, SO I SIMPLY CAN'T ANSWER YOUR QUESTION. WE'LL HAVE TO WAIT AND SEE.

Q. IS THERE ANY DECISION ON ISRAEL'S REQUEST TO PARTICIPATE IN THE PRODUCTION OF THE F-16?

SENIOR DEFENSE DEPT OFFICIAL: THAT IS GOING TO HAVE TO AWAIT FURTHER DISCUSSIONS. IT HAS BEEN DISCUSSED ON PREVIOUS VISITS BY THE ISRAEL PRIME MINISTER. THE ISRAELI DEFENSE MINISTER WILL BE COMING HERE NEXT MONTH AND WE WILL DISCUSS IT IN MORE DETAIL. THERE HAS BEEN NO DECISION.

Q. YOU ARE NOT EXCLUDING THAT SOME OF THOSE SEVENTY-FIVE MIGHT BE PRODUCED OR CO-PRODUCED IN ISRAEL?

SENIOR DEFENSE DEPT OFFICIAL: IT'S AN ISSUE THAT IS GOING TO HAVE TO BE DISCUSSED. NO DECISION HAS BEEN MADE EITHER WAY. AS YOU WILL RECALL FROM THE PRESIDENT'S GENERAL STATEMENT ON THE POLICY ON ARMS TRANSFERS, A TECHNOLOGY TRANSFER IS SOMETHING WE HAVE TO WATCH VERY CAREFULLY, AND THAT WILL BE A FACTOR IN THESE DISCUSSIONS

SENIOR STATE DEPT OFFICIAL: LET ME JUST SAY ONE THING, IF I MIGHT. I THINK SOMEBODY ASKED HERE -- I DIDN'T

ANSWER IT EARLIER ON -- WHY NOW? WE HAVE BEEN PRESSED BY THE VARIOUS COUNTRIES TO MOVE FORWARD WITH A DECISION PROMPTLY. THE ISRAELIS HAVE ASKED THAT THIS DECISION BE MADE PRIOR TO THE TIME THAT GENERAL WEIZMANCOMES HERE. THE SAUDIS HAVE BEEN PRESSING US FOR A DECISION ONE WAY OR ANOTHER SO THEY CAN MAKE THEIR DEFENSE PLANS; THE EGYPTIANS HAVE PRESSED FOR A DECISION AS WELL. IN LIGHT OF ALL THESE FACTORS, WE FELT THAT IT WAS IMPORTANT TO "BITE THE BULLET" AND GO AHEAD AND MAKE A DECISION ON THIS.

Q. WHAT KIND OF ARMAMENTS WOULD BE GIVEN TO EGYPT AND TO SAUDI ARABIA WITH THOSE PLANES?

SENIOR DEFENSE DEPT OFFICIAL: YOU MEAN OTHER THAN AIRCRAFT?

Q. YES.

SENIOR DEFENSE DEPT OFFICIAL: THE SAUDIS HAVE NOT PRESENTED US WITH A LIST OF THEIR --

Q. I MEAN FOR THE AIRCRAFT.

SENIOR DEFENSE DEPT OFFICIAL: OH, I'M SORRY.

Q. WHAT KIND OF ARMAMENT?

SENIOR DEFENSE DEPT OFFICIAL: THE SAUDIS HAVE BEEN OFFERED THE SAME CONFIGURATION AS THE UNITED STATES HAS AND AS THE ISRAELIS WERE OFFERED, THAT IS AS A AIR-TO-AIR AIRCRAFT. ANY AIRCRAFT, EVEN AN AIR DEFENSE AIRCRAFT CAN HAVE SOME AIR-TO-GROUND CAPABILITY, BUT THERE HAS BEEN NO AUGMENTATION OF F-15'S IN ANY OF THESE CASES FOR THAT PURPOSE. IT ISN'T ADAPTED FOR THAT PURPOSE. IT'S NOT ADAPTED, FOR EXAMPLE, FOR ALL-WEATHER DELIVERY OF AIR-TO-GROUND MUNITIONS, SO IT'S AN AIR-TO-AIR CONFIGURATION.

Q. WHAT ABOUT THE F-5?

SENIOR DEFENSE DEPT OFFICIAL: THE F-5 IS BOTH A FIGHTER AND AIR-TO-GROUND AIRCRAFT. IT HAS A VERY SHORT RANGE, BUT IT CAN BE USED BOTH IN AIR-TO-AIR OR AIR-TO-GROUND ROLE. IT DOESN'T COMPARE WITH EITHER THE F-15 OR THE F-16 IN AIR-TO-AIR ROLE, AND IT'S NOTHING LIKE AS GOOD AS THE F-16 IN THE AIR-TO-GROUND ROLE EITHER.

Q. WILL THE EGYPTIANS GET THE MAVERICK BOMB?

SENIOR DEFENSE DEPT OFFICIAL: THE EGYPTIAN F-5'S WILL NOT, I BELIEVE, BE EQUIPPED WITH THE MAVERICK.

Q. MAY I ASK A RELATED QUESTION TO THIS? (A) WHY DO THE SAUDIS NEED 60 F-15'S? WHO ARE THEY WORRIED ABOUT? (B) THERE HAVE BEEN REPORTS TO THE EFFECT THAT THE EGYPTIAN PILOTS HAVE BEEN TRAINED IN SAUDI AIRCRAFT, DELIVERED TO THE SAUDIS BY US. WILL THIS ALSO BE A FACTOR IN THE ARRANGEMENTS WITH THE F-15'S?

SENIOR DEFENSE DEPARTMENT OFFICIAL: TWO THINGS, THE TWO SEPARATE QUESTIONS: THE SAUDIS FACE A SUBSTANTIAL THREAT FROM THE IRAQI FORCES WHICH HAVE BEEN GROWING PERHAPS AS RAPIDLY AS ANY IN THE MIDEAST -- MAYBE EVEN THE MOST RAPIDLY. THE IRAQIS HAVE ADVANCED AIRCRAFT FROM THE SOVIETS AND THEY HAVE A FORMIDABLE ARMY. THAT IS ONE EXAMPLE OF THREAT THAT THE SAUDIS FACE, AND WITH WHICH I THINK THEY ARE VERY CONCERNED, AND RIGHTLY SO, JUST LOOKING AT THE SIZE OF THE IRAQI FORCES.

THE EGYPTIANS DID IN FACT TRAIN, BRIEFLY OVER A PERIOD OF MONTHS, ON SAUDI F-5S A COUPLE OF YEARS AGO, AT A TIME WHEN THAT WAS NOT PROHIBITED BY LAW OR BY ANY AGREEMENT WE HAD WITH THE SAUDIS. WE EXPRESSED OUR CONCERN WITH THAT. THE SAUDIS STOPPED DOING IT, AND PROHIBITION ON SUCH ACTIONS HAVE SINCE BEEN INCORPORATED INTO TRANSFERS, AND THAT WOULD APPLY TO THE F-15 TRANSFERS

Q. CAN YOU ANSWER SOME QUESTIONS ABOUT AMERICAN INVOLVEMENT ON THE GROUND? YOU IMPLIED EARLIER THAT THE SAUDIS COULD NOT OPERATE F-15S FOR A WHILE. HOW LONG DO YOU FORESEE AMERICAN GROUND AND SUPPORT PERSONNEL BEING NEEDED IN SAUDI ARABIA?

SENIOR DEFENSE DEPARTMENT OFFICIAL: IT'S DIFFICULT TO SAY BECAUSE THEY WILL JUST START RECEIVING THEM IN THE THIRD QUARTER OF 1981, AND FOR THE FIRST COUPLE OF QUARTERS AFTER THAT, THEY WILL BE GETTING LARGELY TRAINER AIRCRAFT. THE ANSWER IS THAT I DON'T KNOW. IT WILL DEPEND UPON HOW MUCH OF THE TRAINING, IN BOTH PILOTS AND OF MAINTENANCE PEOPLE, CAN BE DONE IN THE UNITED STATES FIRST.

Q. CAN YOU FORESEE A TIME, THOUGH, WHEN THEY ARE GOING TO HAVE ENOUGH MANPOWER IN THAT COUNTRY TO MAINTAIN ALL THE SOPHISTICATED WEAPONS WE ARE SELLING THEM, FOR F-15S AND ALL THE OTHER THINGS?

SENIOR DEFENSE DEPARTMENT OFFICIAL: YES. THESE WON'T START UNTIL THE EARLY 80S, AND I THINK AFTER A FEW YEARS, THEY WILL BE ABLE TO MAINTAIN THINGS TO A MUCH LARGER DEGREE THEMSELVES.

Q. WHAT ABOUT ON EGYPT NOW, IF WE TRANSFER F-5S VERY QUICKLY INTO EGYPT, BECAUSE YOU SAY WE HAVE SOME READY AND AVAILABLE?

SENIOR DEFENSE DEPARTMENT OFFICIAL: YES

Q. WILL WE NEED AMERICANS TO SUPPORT THOSE FOR A WHILE?

SENIOR DEFENSE DEPARTMENT OFFICIAL: I THINK THE EGYPTIANS, OBVIOUSLY, WILL BE ABLE TO DO MUCH MORE OF THEIR OWN MAINTENANCE AND SUPPORT AS THEY LEARNED TO DO AND HAVE DONE QUITE WELL, GIVEN THE SHORTAGE OF PARTS, WITH THE SOVIET AIRCRAFT. IN THAT PARTICULAR CASE ALTHOUGH WE'LL BE TRANSFERRING THEM SOONER, WE, I THINK, WOULD ADJUST THOSE TRANSFERS TO A POINT AT WHICH THE EGYPTIANS CAN TAKE CARE OF THE GREAT BULK OF IT THEMSELVES.

Q. ARE YOU SAYING THERE WON'T BE ANY AMERICANS IN EGYPT?

SENIOR DEFENSE DEPARTMENT OFFICIAL: NO, I WON'T SAY THERE WON'T BE ANY AMERICANS IN EGYPT. I WON'T SAY THERE WON'T BE ANY AMERICANS IN SAUDI ARABIA.

Q. I WANTED TO ASK YOU IF YOU CONSIDERED THE QUESTION OF THE HORN OF AFRICA IN THE DECISION TO SELL F-5S TO EGYPT, AND ALSO AS FAR AS SAUDI ARABIA IS CONCERNED, OBVIOUSLY THESE PARTICULAR PLANES COULDN'T BE USED IF THEY DON'T ARRIVE UNTIL 1981, BUT IS THERE ANYTHING WE'VE DELIVERED TO SAUDI ARABIA IN THE PAST THAT MIGHT BE USED IF THEY CONSIDERED IT NECESSARY TO OPERATE IN THAT GENERAL AREA OF THE HORN?

SENIOR STATE DEPARTMENT OFFICIAL: NOBODY THAT WE HAVE

DELIVERED ANYTHING TO COULD USE SUCH WEAPONS IN THE HORN WITHOUT FIRST COMING TO US AND REQUESTING OUR PERMISSION, AND NOBODY HAS DONE SO.

Q. COULD I FOLLOW THAT UP? THE EGYPTIANS HERE WERE SAYING THAT ONE OF THE REASONS THEY NEEDED THE F-5E WAS TO BE ABLE TO TRANSFER SOME OF THE LEFTOVER SOVIET EQUIPMENT THAT THEY HAD TO SOMALIA, AND THAT THEY COULDN'T DO THAT WITHOUT AN AMERICAN COMMITMENT ON THE F-5E. WAS THAT ONE OF THE FACTOS THAT WAS INCLUDED IN THE DECISION ON THE EGYPTIAN SIDE?

SENIOR STATE DEPARTMENT OFFICIAL: THE EGYPTIANS HAVE EXPRESSED THEIR CONCERNS PRIMARILY ABOUT LIBYA, BUT THEY HAVE ALSO EXPRESSED THEIR CONCERN ALWAYS, AND IT IS A CONTINUING CONCERN IF ANYTHING SHOULD EVER HAPPEN IN THE SUDAN, WHERE THEIR WATER IS, WHICH IS A MATTER OF THE GREATEST CONCERN TO THEM.

Q. MAY I JUST ASK, IS THE ADMINISTRATION CONSIDERING AN

INVITATION TO PRIME MINISTER BEGIN TO COME HERE TO DISCUSS ALL OF THIS?

SENIOR STATE DEPARTMENT OFFICIAL: I PREFER NOT TO TAKE THAT QUESTION.

Q. YOU TALK ABOUT THIS PACKAGE IN VERY STRONG TERMS AS NOT UPSETTING THE BALANCE OF POWER IN THE MIDDLE EAST. WHAT HAPPENS IF THE CONGRESS, IN ITS WISDOM, CHANGES THE PACKAGE AROUND, LET'S SAY NOTHING FOR EGYPT AND WHAT YOU ASKED FOR FOR ISRAEL?

SENIOR STATE DEPARTMENT OFFICIAL: WE BELIEVE THAT THESE THREE SALES ARE SELF-REINFORCING. WE HAVE LOOKED AT THEM IN THEIR INTER-RELATIONSHIPS TO EACH OTHER. WE HOPE AND EXPECT THAT THE CONGRESS WILL DEAL WITH THEM AS A PACKAGE, WHICH IS WHAT WE CONSIDER THEM TO BE. IF THEY SHOULD DECIDE TO ACT DIFFERENTLY, THEN WE WILL HAVE TO FACE THAT QUESTION WHEN THE TIME COMES AND THE PRESIDENT WILL MAKE WHATEVER DECISION HE BELIEVES IS CORRECT.

Q. CAN YOU SAY WHETHER THESE DECISIONS, WHAT THEY MAY PRECLUDE FOR THE FUTURE, IF ANYTHING -- IN OTHER WORDS, WE KNOW THE ISRAELIS HAD ASKED FOR 25 F-15S; WE KNOW THEY HAVE TALKED ABOUT 15B F-16S; AND WE KNOW THAT PRESIDENT SADAT TALKED ABOUT WANTING NOT ONLY F-5S BUT F-15S AND F-16S. DOES THIS PACKAGE OF DECISIONS PRECLUDE FURTHER DECISIONS IN THE FUTURE -- PERHAPS NEXT YEAR -- OF FURTHER PLANES OF A MORE SOPHISTICATED NATURE FOR EGYPT OR ADDITIONAL PLANES IN BOTH THESE CATEGORIES FOR ISRAEL?

SENIOR STATE DEPARTMENT OFFICIAL: I THOUGHT I ANSWERED THAT QUESTION EARLIER.

Q. YOU TALKED ABOUT ONLY THIS YEAR, AS I UNDERSTOOD YOUR EARLIER QUESTION.

SENIOR STATE DEPARTMENT OFFICIAL: I THINK THE PRINCIPLE APPLIES THE SAME, THAT WE CONTINUE TO WATCH THE BALANCE AND SEE WHAT IS REQUIRED IN TERMS OF SECURITY NEEDS AND THE BALANCE UNDER ALL OF THE CIRCUMSTANCES THAT EXIST AT ANY GIVEN TIME. AND I CAN'T SAY AT THIS POINT, WHETHER OR NOT, IF THE SITUATION CHANGES, THAT WE MIGHT NOT MAKE ANOTHER DECISION, BUT THERE IS NONE CONTEMPLATED AT THIS TIME. BUT I DON'T RULE IT OUT.

Q. THANK YOU. (BRIEFING CONCLUDED AT 2:17 P.M.) VANCE